



# BUDGET SPEECH

OF

THE HON. S. E. LOW

TREASURER OF THE PROVINCE OF ALBERTA

Delivered on February 12th

1940

IN THE

Legislative Assembly of Alberta

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF  
FINANCIAL AND GENERAL INFORMATION

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PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

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## THE HON. S. E. LOW

*Treasurer of the Province of Alberta*

February 12th, 1940

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MR. SPEAKER:

In rising to move the customary Motion of Supply, I realize the responsibility which devolves upon me as Provincial Treasurer in presenting to the Legislature the statements of accounts which reflect the record of the administration and policies of the Government. The conditions within this Province and throughout the world are well known to every member; hence I do not intend to review them at this time. I do propose, however, to present to this Legislature a clear and comprehensive analysis of the estimates and main accounts of the Province.

Since the production of agriculture and of our natural resources are essentially important when considering our estimates I shall continue my practice of briefly furnishing you with the relative statistics before reviewing the financial undertakings of the Government.

First in importance is the position of our primary industry, Agriculture:

### AGRICULTURE

While the value of our agricultural production is always of primary importance to the economic life of this Province, to-day under war conditions the production capacity of this industry is of vital importance to the British Empire and our Allies in the successful prosecution of a war against those who by force of arms seek to destroy the nations who hold to their right of self-determination and peaceful existence. Therefore, the production capacity and value of production should, I think, be reviewed, particularly at this time; and I give you the comparative figures for the years 1915 and 1939.

#### PRODUCTION AND VALUE AGRICULTURAL PRODUCTS, YEAR 1915

	Acreage	Bushels	Price Per Bushel	Value
Wheat .....	1,245,000	43,575,000	\$ .85	\$ 37,038,750
Oats .....	1,450,000	65,250,000	.35	22,837,500
Barley .....	420,000	14,700,000	.50	7,350,000
Flax .....	50,000	600,000	1.35	810,000
Mixed grains .....	19,500	676,500		473,900
Total grain crops.....	3,184,500	124,801,500		\$ 68,510,150
Roots and fodder crops .....	166,500			6,120,000
Total field crops.....	3,351,000 acres			\$ 74,630,150
Live stock, dairy and poultry products, etc.....				36,372,500
			Total value	<u>\$111,002,650</u>

I might add that the value of all agricultural production in 1914 totalled \$78,516,891.

The figures for the year 1939 follow:

**PRODUCTION AND VALUE AGRICULTURAL PRODUCTS, YEAR 1939**

	Acreage	Bushels	Price Per Bushel	Value
Wheat .....	8,379,000	150,000,000	\$ .50	\$ 75,000,000
Oats .....	2,706,000	85,000,000	.18	15,300,000
Barley .....	1,114,000	27,000,000	.26	7,020,000
Rye .....	188,900	2,400,000	.33	784,000
Flax .....	40,000	350,000	1.36	476,000
Mixed grains .....	24,900	590,000		222,000
Total grain crops.....	12,452,800	265,340,000		\$ 98,802,000
Root and fodder crops.....	1,498,600			14,500,000
Total field crops.....	13,951,400			\$113,302,000
Live stock, poultry, dairy products, etc.....				58,187,592
			Total Value	\$171,489,592

It should be noted, Mr. Speaker, that while the acreage seeded to grain crops in this Province has increased nearly 300 per centum from 3,184,000 acres to 12,450,000 acres, and the production from 124,800,000 bushels to 265,300,000 bushels, the value has only increased from \$68,000,000 to \$98,802,000, or only just over 45 per cent, due to the substantially lower prevailing prices and the decreased yield per acre compared with 1915.

The value of all agricultural products for the past crop year is estimated at \$171,489,592, as compared with \$175,640,815 for the year 1938,—a decrease of slightly over \$4,000,000. It is, however, gratifying to note that the value of live stock marketed throughout the year totalling \$32,700,000 indicates an increase of over five and one-half million dollars. Dairy products are valued at \$17,590,000,—a decrease of \$1,000,000. Notwithstanding the effects of ruinously lower prices for practically all products of agriculture during the past few years, I am of the opinion that our basic industry is more diversified than it was at the outset of the last war in which we were involved, and as a whole it is better prepared to produce the essential foodstuffs required. Steps have been taken to see that a fair return is assured for hogs; and I express the hope that the Dominion Government will through its Marketing Act, ensure our farmers a fair and reasonable return for their products.

**Beet Sugar Industry**

This industry continues to record progress, the production of sugar beets totalling 262,000 tons,—an increase of over ten thousand tons compared with the previous year; and the estimated value of \$1,624,000 shows a decrease of approximately \$55,000 as compared with the value in 1938. Final payments to the growers from profits of the sale of sugar should, however, exceed the returns for last year.

Increased numbers of live stock are being fed in the areas producing sugar beets, where the by-products of these factories are readily obtainable; and, as I mentioned in my budget address last year, the Government has assisted and encouraged the formation of Feeder Associations, not only in these Districts, but in other parts of the Province where ample and suitable supplies of fodder are available.

The operation of the two well equipped sugar factories at Picture Butte and Raymond has contributed greatly to the improved position of the farmers operating on irrigated lands; and the industry is of increasing value to the Province as a whole.

### NATURAL RESOURCES

The reports of the Department of Lands and Mines for the year with respect to our Natural Resources should, I think, be of particular interest to not only the members of this Assembly, but to the people of this Province generally. Last year I referred to the unprecedented development with respect to the production of petroleum during the year 1938. Notwithstanding the measure of conservation by proration, I am pleased to report that although there was a decrease in the number of wells drilled in Turner Valley during 1939, the actual footage of wells drilled of 374,287 feet showed an increase of about 10,000 feet over that of the previous year. Thirty-five wells were drilled or drilling in fields other than Turner Valley; and it is hoped that further extensions to the present producing areas will be found. Thirty-five wells were completed as crude producers in the Turner Valley during the year; and ninety-nine wells are now producing crude oil in that field. The production of all fields totals 7,594,411 barrels,—an increase of 852,372 barrels as compared with the previous year; and the total petroleum production to the end of the past calendar year reached a total of 28,108,752 barrels. The value of production in 1939 is estimated at \$9,289,540. Gas consumption during the year is estimated at 23,286,434 thousand feet, valued at \$931,457. Coal mined totalled 5,518,105 tons, valued at \$14,454,325,—an increase in value of \$800,000; and products of the forest totalled in value \$2,638,661. The value of all products of our natural resources totalled \$27,347,203,—an increase of \$899,766.

I will now refer to certain financial undertakings of the Government, which on our statements are shown under the heading of Contingent Liabilities.

### LIVE STOCK FEEDERS ASSOCIATIONS

Under The Feeders Associations Guarantee Act, which was passed by this Government at the 1937 session of the Legislature, provision was made for Government assistance by way of guarantee to Feeder Associations for the purpose of assisting their members to acquire live stock for finishing them for market. The total loans to any one Association are not to exceed One Hundred Thousand Dollars; and the liability of the Government under its guarantee shall not exceed Twenty-five per cent of the aggregate amount of such borrowings. Twelve associations are now in operation, six of which were formed during the past year; and purchases of live stock made by members during the feeding season totalled 15,390 cattle, and 20,594 sheep. Two of the new associations are financed under The Treasury Branches Act, the remainder by loans from Chartered Banks under the guarantee of the Government. Loans outstanding as at December 31st, 1939, totalled \$709,894.12; and the maximum liability of the government under its guarantee amounted to \$177,473.53. This legislation has not only enabled many farmers to utilize their surplus feed; but has also kept off the market a large number of unfinished cattle and sheep. It is confidently expected that the loans will be fully repaid as in past years.

## THE CO-OPERATIVE MARKETING ASSOCIATIONS GUARANTEE ACT

The liability of the Government under its guarantees with respect to borrowings of Co-operative Marketing Associations totalled \$189,506.83 as at March 31st, 1938. Additional guarantees were furnished the Southern Alberta Dairy Pool covering loans of \$16,375; and repayments reduced the total guarantees in connection with Dairy Associations by \$25,665. New guarantees were provided totalling \$14,300 with respect to a newly formed Co-operative Cheese Factory and to two Fur Farm Supplies Co-operatives. The total liability of the Government by way of guarantees as at December 31st, 1939, amounted to \$194,516.83,—a net increase of \$5,010 as compared with the figures for the end of the past fiscal year. A detailed report of these guarantees will be tabled at this session of the Legislature.

## THE ALBERTA CO-OPERATIVE RURAL CREDIT ACT

A complete report covering the operations of the Co-operative Rural Credit Societies has been tabled; and I shall only refer briefly to the results for the year.

The outstanding loans to members of the societies included in the Alberta Rural Credit Corporation as at December 31st, 1939, totalled \$1,350,927.09 as compared with \$1,419,681.92 as at the corresponding date of the previous year. During the period ended December 31st, 1939, new loans were granted amounting to \$33,822.75; and repayments by members amounted to \$87,521.30. Interest added during the year totalled \$80,264.85. The Province paid under its guarantee the sum of \$95,321.13 on account of loans which were classified as doubtful or bad.

Twelve societies with a total indebtedness of \$423,571.46 are located in the Special Areas of the Province; and many of the borrowers have been moved to other parts of the Province in an effort to re-establish themselves. Losses cannot be avoided; and we are continuing the policy of providing in the estimates a stated amount for the purpose of implementing our guarantees in connection with unsatisfactory accounts.

### Sugar Beet Societies

As at December 31st, 1939, all outstanding loans made to members have been paid in full.

During the year loans were granted to members of Sugar Beet Societies totalling \$63,612.04; and interest charges of \$1,350.09 were added. All loans made, together with interest, were paid in full.

### Guarantees Implemented by the Province

Since July 1st, 1931, and to December 31st, 1939, the Province has implemented its guarantee in connection with Societies operating under the Alberta Rural Credit Corporation to the sum of \$591,886.74, of which amount \$95,321.13 was paid the lending Banks during the past calendar year. Payments obtained from the borrowers totalled \$10,856.67 during the year; and recoveries to date amount to \$38,998.57.

The Alberta Rural Credit Corporation has reimbursed the Provincial Treasurer in the sum of \$234,776.56 on principal, and on interest \$10,403.30. This includes payments made during 1939 of \$24,000.00. The Corporation is indebted to the Provincial Treasurer for \$356,450.29 as at December 31st, 1939.

In addition to the Societies operating under the Alberta Rural Credit Corporation other Societies were placed in liquidation in 1931; and loans outstanding to members of these Societies amount to \$420,228.51. Recoveries from all sources in these Societies now total \$53,580.07.

#### Alberta Rural Credit Corporation

The Capital and Reserve Fund of the Alberta Rural Credit Corporation amounted to \$334,262.67 as at December 31st, 1939, of which \$307,706.43 is paid up Capital, and \$26,556.24 represents the Reserve Account. The combined Capital and Reserve of \$334,262.67 provides a reserve against the loans outstanding of \$1,350,927.09; and the earnings from capital investments are utilized to reimburse the Treasury for payments made by the Government under its guarantee.

#### THE MUNICIPAL IMPROVEMENTS ASSISTANCE ACT

The Government has co-operated with Municipal authorities to enable them to secure loans for self liquidating projects from the Dominion Government under the provisions of The Municipal Improvements Assistance Act. All applications require the approval and guarantee of the Province. The following loans totalling \$905,388.58 have been approved by the Dominion authorities and guaranteed by the Province:

City of Edmonton.....	\$228,878.85	City of Drumheller.....	\$ 8,376.00
City of Calgary.....	216,000.00	City of Lethbridge.....	100,000.00
Red Deer Municipal		Town of Vegreville.....	10,000.00
Hospital.....	55,000.00	Town of Grande Prairie....	100,000.00
City of Wetaskiwin.....	26,000.00	Town of Stettler.....	7,000.00
City of Medicine Hat.....	26,133.73	Town of Hanna.....	100,000.00
Claresholm Municipal			
Hospital.....	28,000.00		

#### DIRECT LOANS AND GUARANTEES TO MUNICIPAL AND SCHOOL DISTRICTS

In my address last year I furnished statements to show the assistance afforded by the Government to Municipal and School authorities in order that they might maintain services which are essentially required in any community. In some instances loans were made direct by the Treasury and in others, loans by Banks were guaranteed; and the authority for such advances and guarantees on behalf of the Province is provided under The Local Authorities Borrowings Guarantee Act.

The following Bank loans were guaranteed and direct advances made by the Government to Municipal Districts:

Year	School Purposes	Municipal Purposes	Total
<b>Guarantees:</b>			
1931-36 inc. ....	\$ 508,737.00	\$140,097.36	\$ 648,834.36
1937 .....	233,875.76	17,800.00	251,675.76
1938 .....	388,420.59	6,000.00	394,420.59
1939 .....	544,693.81	13,010.00	557,703.81
<b>Treasury Loans:</b>			
1937 .....	78,515.87	45,507.95	124,023.82
1938 .....	70,084.88	65,984.45	136,069.33
1939 .....	11,805.32	58,409.06	70,214.38
	<u>\$1,836,133.23</u>	<u>\$346,808.82</u>	<u>\$2,182,942.05</u>

In addition to the above, during the same period the borrowings of School Districts totalling \$60,530.49 were guaranteed, and advances from the General Revenue Fund of the Province amounted to \$1,300.00, a total of \$61,830.49.

Total guarantees and advances to Municipalities and School Districts amounted to \$2,244,772.54. Repayments to December 31st, 1939, total \$1,610,999.44, leaving a sum unpaid of \$633,773.10, of which \$195,638.99 consisted of Bank loans guaranteed, and \$438,134.11 is directly due the Province with respect to guarantees implemented and direct loans.

I feel, Mr. Speaker, that the repayments made by these authorities should be considered reasonably satisfactory and indicate in many Districts improved conditions. I might add that a large portion of the outstanding loans are in those areas which suffered most severely from drought conditions over a period of years.

### AGRICULTURAL RELIEF

Owing to more favourable crop yields over the greater portion of the Province in 1938, assistance by furnishing of seed grain during the Spring of last year was only required to the amount of \$86,216.05; and at the end of December last collections totalled \$55,056.20 and the balance outstanding was \$31,159.85. I feel it is important, however, to place before this Assembly a statement of our position with respect to the advances made in previous years. In the year 1936 loans were made directly by the Province for such advances as were required, and in the following years, 1937 and 1938, assistance was afforded by a joint guarantee of the Dominion Government and this Province covering loans to Municipal and Improvement Districts for seed requirements by Chartered Banks. The position of these advances and guarantees as at December 31st, 1939, is as follows:

	Original Amount	Balance Unpaid Dec. 31, 1939
<b>1936 Advances:</b>		
Special Areas .....	\$ 86,908.49	\$ 73,862.29
Semi-arid Districts .....	29,675.33	21,703.47
Balance, of Province .....	712,768.41	94,639.99
	<u>\$ 829,352.23</u>	<u>\$ 190,205.75</u>



	Original Amount	Balance Unpaid Dec. 31, 1939
<b>1937 Guaranteed Advances:</b>		
(Dominion and Province)		
Special Areas .....	\$ 331,899.79	\$ 232,482.19
Semi-arid Districts .....	302,248.39	154,981.32
Balance of Province.....	690,400.43	98,863.85
	<u>\$1,324,548.61</u>	<u>\$ 486,327.36</u>
<b>1938 Guaranteed Advances:</b>		
(Dominion and Province)		
Special Areas .....	\$ 584,181.45	\$ 510,721.29
Semi-arid Districts .....	491,952.26	336,010.08
Balance of Province.....	317,382.57	94,324.17
	<u>\$1,393,516.28</u>	<u>\$ 941,055.54</u>
<b>1939 Guarantees:</b>		
Province .....	\$ 86,216.05	\$ 31,159.85

Total advances and guaranteed loans during the four years under review amounted to \$3,633,633.17; and repayments totalled \$1,984,884.67, leaving a balance outstanding of \$1,648,748.50. Of this sum, \$190,205.75 is due to the Province and \$1,427,382.90 is carried by the Banks under the joint guarantee of the Dominion and the Province. Total collections during the calendar year 1939 amounted to \$280,625.63; and the contingent liability of the Province under its guarantees was reduced by the sum of \$249,742.97.

A large percentage of the advances unpaid were made in the Special or Drought Areas of the Province; and collections are dependent upon better crop yields and also more remunerative prices for grain crops. I think, Mr. Speaker, the results to date are reasonably satisfactory; and it can be anticipated that the liability of the Province will be substantially reduced.

#### ALBERTA WHEAT POOL

The Alberta Wheat Pool statement for the year ended July 31st, 1939, showed an operating profit of \$1,252,720.64 before providing for depreciation and interest; and after deducting the sum of \$744,663.51 for these items, the Pool earned a net operating surplus of \$508,057.13. As in previous years, this Co-operative paid the instalment due to the Government; and the principal sum has now been reduced to \$4,258,500.

It is gratifying to note the continued progress of this great enterprise.

#### THE ALBERTA HAIL INSURANCE BOARD

This Board was constituted under legislation passed at the first session of the Legislature in 1938; and has now completed operations covering two complete crop years. The plan affords crop protection against hail damage on a non-profit basis and without involving the Province financially in any way.

The operations of the Board were most satisfactory during both crop seasons; and the acreage insured in 1939 showed a substantial

increase over that of 1938. In 1939 accepted applications totalled 14,487 as compared with 9,285 in 1938; and the acreage insured in 1939 totalled 2,342,382 acres as compared with 1,506,551 acres in the previous year. The total risk carried in 1939 amounted to \$10,734,-087.34 as against \$7,115,126.00 in 1938. The premiums payable in 1938 totalled \$613,861.02; and of this sum only \$1,606 remains unpaid. In 1939 the premiums amounted to \$957,491.84, of which amount \$953,487.34, or 99.60 per cent, has been paid, which, I think you will agree, Mr. Speaker, is a remarkable record.

Under the terms of the Act a portion of losses is payable on November 1st in each year; and payments to insured were made on November 1st, 1939, amounting to \$261,099.74. Further payments of \$144,203.04 representing the balance of claims will be made on March 1st, 1940. Claims in all areas will be paid one hundred per cent of the coverage; and after deducting all expenses incurred in the operation of the scheme, an amount of \$428,122.90 will be carried forward as a Reserve Fund.

The management and members of the Board deserve much credit for the successful operation to date; also the many farmers who have placed their insurance with the Board in an effort to establish a plan of Hail Insurance on a non-profit or cost basis.

I will now deal with the main accounts of the Province; and direct your attention, Mr. Speaker, to the results for the past fiscal year ended March 31st, 1939, and the relative,—

#### PUBLIC ACCOUNTS—1938/39

Copies of these accounts have been furnished the honourable members of this Assembly; and, as in past years, you will find they contain a most complete record of the financial operations of the Government. It must be remembered, however, that the present Government made an important change in the presentation of the estimates for the fiscal year 1936/37 by combining Capital and Income Accounts and by the inclusion of statutory payments; and the final figures for that year and the years following furnish you with the over-all surplus or deficit on all accounts. This should be borne in mind, particularly when making comparisons with results for the fiscal years prior to the year ended March 31st, 1937. In tabling the estimates for the fiscal year ending March 31st, 1939, I estimated we would be required to finance a sum of \$1,567,571.24 to cover all estimated expenditures; and in my remarks expressed the hope that in estimating our revenue I had erred on the conservative side; and also stated that every effort would be made to keep our expenditures within the amounts estimated. I am gratified, Mr. Speaker, that my estimates of revenues were exceeded by the sum of \$863,426.80; and on the expenditure side we were able to keep our expenditures \$1,213,759.30 within our estimates; and after making ordinary capital expenditures of \$1,660,774.78 we were able to show an over-all surplus of \$1,366,417.14, which, together with the proceeds of Treasury Bills of \$400,000 absorbed into the Sinking Funds and deposits, mainly those on account of the Superannuation Fund, provided funds totalling \$1,946,245.99 for financing purposes; and these we applied for the following purposes of Government:

Savings Certificates—Net redemptions .....	\$ ,945,588.62
Bank Loans (Seed Grain) repaid .....	100,000.00
Reduction of Accounts Payable .....	283,586.36
Sundry Reductions—Stock and Certificates .....	644.00
	<u>\$1,329,818.98</u>

After providing for the above mentioned accounts, surplus funds on hand totalled \$616,407.01, which, I think, Mr. Speaker, even our critics will admit is a creditable record.

#### FUNDED AND UNFUNDED DEBT

The net funded and unfunded debt of the Province as at March 31st, 1939, amounted to \$154,994,752.13, as compared with \$157,015,416.93 as at the end of the previous fiscal year,—a net decrease of \$2,020,664.80. The detailed statement will be found on Page 21 of the Public Accounts which are now in your hands. I feel that further reference to these accounts at this time is unnecessary, as they are fully detailed in the accounts before you.

#### INTERIM CASH STATEMENT FOR NINE MONTHS

Ended December 31st, 1939

I turn now to the statement for the present fiscal year. You will receive during the session the interim financial report for the nine months' period ended December 31st, 1939. This statement is on a cash basis only; and while accounts payable at the commencement of the period are included, they are not included at the end of the period.

Cash receipts total \$17,620,068.99,—an increase of \$815,166.13 over the corresponding period of last year. Cash payments on Income Account amounted to \$13,936,564.52,—an increase of \$623,393.14. After providing the sum of \$1,690,406.66 for unemployment relief a surplus of \$1,993,097.81 is shown on Income Account. Net capital expenditures totalled \$2,447,582.34, resulting in an over-all cash deficit of \$454,484.53 as compared with an over-all cash surplus of \$551,434.37 at December 31st, 1938,—a decrease of \$1,005,918.90. This decrease will be partly offset by profits earned by the Liquor Control Board of \$200,000, and not received from the Board during the period; and also the sum of \$202,000 due from the Dominion Government in respect of unemployment relief.

I think, Mr. Speaker, I am justified in stating that the final figures for the year ending March 31st, 1940, will show an improvement over the estimated results which I presented to this Assembly last March.

#### Public Debt, December 31st, 1939

The statement of Public Debt as at December 31st, 1939, should, I think, be of particular interest. The net funded debt amounted to \$143,158,650.32, to which should be added the net unfunded debt of \$7,250,120.10, making the total net funded and unfunded debt \$150,408,770.42 as compared with \$154,994,752.13 as at March 31st, 1939,—a decrease of \$4,585,981.71. Bank borrowings of \$5,700,000 were repaid from the proceeds of the final payment on the sale of

railways. Savings Certificates redeemed, total \$476,547. These reductions were partly offset by a decrease of \$1,800,000 in cash and investments, which are properly deductible from the gross unfunded debt.

#### ESTIMATES OF REVENUE AND EXPENDITURE, 1940/41

We come now, Mr. Speaker, to the estimates for the ensuing fiscal year ending March 31st, 1941, copies of which have been placed before the members of this assembly.

I am not unmindful of the added responsibility of my office in framing a budget for a year which, under war conditions, can only bring increasing problems on the shoulders of all governments, and uncertainties with respect to both revenue and expenditures. It is admitted that adjustment and curtailment of certain governmental services may have to be made to meet the conditions arising as the war progresses. The nature and extent of such adjustments cannot be forecast; nor is there an immediate necessity for us to make provision for them at this time. The budget I have placed before you recognizes the necessity of this Government maintaining its essential services, such as Health and Education, and also the necessity of protecting our investment in roads and public buildings. In addition, moderate sums have been placed in the capital section for necessary extensions and additions to Public Institutions. It should be kept in mind that no increase in the Public Debt of the Province is contemplated to cover our budgetary requirements; and I should also mention at the outset that no increase in taxation is being imposed.

Revenue on Income Account for the ensuing fiscal year ending March 31st, 1941, is estimated at \$19,525,590; and expenditures including provision for unemployment relief total \$18,374,136.85, resulting in an estimated surplus on Income Account of \$1,151,453.15.

The estimated revenue by Departments is as follows; and for comparative purposes the figures for the present fiscal year are given:

#### REVENUE—INCOME ACCOUNT

	Estimates 1939/40	Estimates 1940/41	Increase	Decrease
Dominion of Canada.....	\$ 1,787,475.00	\$ 1,787,475.00	\$ .....	\$ .....
Agriculture Dept. ....	280,550.00	290,635.00	10,085.00	.....
Agriculture Dept. (Water Resources) .....	1,000.00	1,000.00	.....	.....
Attorney General's Dept.....	751,490.00	792,800.00	41,310.00	.....
Education Dept. ....	168,290.00	237,900.00	69,610.00	.....
Executive Council .....	70,000.00	43,200.00	.....	26,800.00
Legislation .....	1,035.00	1,035.00	.....	.....
Municipal Affairs Dept.....	1,494,200.00	1,498,600.00	4,400.00	.....
Prov. Secretary's Dept.....	6,077,225.00	6,570,525.00	493,300.00	.....
Public Health Dept.....	340,180.00	366,575.00	26,395.00	.....
Public Works Dept.....	807,900.00	999,670.00	191,770.00	.....
Railways and Telephones Dept. (Railways Branch)...	223,200.00	.....	.....	223,200.00
Trade and Industry Dept. ....	150,425.00	116,950.00	.....	33,475.00
Treasury Dept. ....	4,788,975.00	4,968,225.00	179,250.00	.....
Lands and Mines Dept.....	1,876,800.00	1,851,000.00	.....	25,800.00
	<u>\$18,818,745.00</u>	<u>\$19,525,590.00</u>	<u>\$1,016,120.00</u>	<u>\$ 309,275.00</u>

The estimated net increase in Revenue totals \$706,845 as compared with the estimates for the present fiscal year. Increased receipts are anticipated; from Fuel Oil Tax, \$350,000; Motor Licenses, \$122,700; Truck Licenses and Fees, \$180,000; Income Tax, \$150,000. These increases are partly offset by a decrease of \$223,200 of interest formerly received on the final payment due from the sale of Railways, payment of the principal sum having been received.

#### Expenditures—Income Account

Total estimated expenditures on Income Account for the year ending March 31st, 1941, including expenditures for unemployment relief, amount to \$18,374,136.85, and are as follows:

The figures for the present year are furnished for purposes of comparison:

#### EXPENDITURES—INCOME ACCOUNT

	Estimates 1939/40	Estimates 1940/41	Increase	Decrease
Public Debt (Interest and other charges) .....	\$ 3,835,172.50	\$ 3,971,022.50	\$ 135,850.00	\$ .....
Executive Council .....	216,350.00	274,900.00	58,550.00	.....
Legislation .....	258,005.00	249,455.00	.....	8,550.00
Agriculture Dept. ....	562,760.99	568,354.32	5,593.33	.....
Agriculture Dept. (Water Resources) .....	47,805.10	47,755.10	.....	50.00
Attorney General's Dept. ....	731,445.00	730,815.00	.....	630.00
Education Dept. ....	2,795,583.00	3,002,905.00	207,322.00	.....
Municipal Affairs Dept. ....	225,590.00	216,420.00	.....	9,170.00
Prov. Secretary's Dept. ....	146,693.34	135,139.34	.....	11,554.00
Public Health Dept. ....	2,051,535.35	2,082,989.85	31,454.50	.....
Public Works Dept. ....	2,512,065.00	2,686,960.50	174,895.50	.....
Railways and Telephones Dept. (Railways Branch) ...	4,650.00	4,650.00	.....	.....
Treasury Dept. ....	1,622,305.24	1,746,703.24	124,398.00	.....
Lands and Mines Dept. ....	567,540.00	561,372.00	.....	6,168.00
Trade and Industry Dept. ....	199,275.00	203,455.00	4,180.00	.....
Unemployment Relief .....	1,844,400.00	1,891,240.00	46,840.00	.....
	<u>\$17,621,175.52</u>	<u>\$18,374,136.85</u>	<u>\$ 789,083.33</u>	<u>\$ 36,122.00</u>

The proposed net increases in expenditures total \$752,961.33. Under the Department of Education you will find an increase of \$207,000, which includes provision for increased grants to schools of \$100,000, which is necessary for the maintenance of our educational system in certain areas. Increased supervision of schools and the extension of the Correspondence Branch is also provided for; and the increased expenditure for this item is largely offset by increased revenue. In the estimates for the Public Works Department an increase of \$100,000 is included for District roads, making a total appropriation for this purpose of \$304,700. Increased provision of \$95,000 is with respect to the operation of Treasury Branches, while Mothers' Allowances and Old Age Pensions account for further increases of \$22,000. Under the Bureau of Relief and Public Welfare the sum of \$50,000 is provided for Cancer treatments. The amount for unemployment relief shows a slight decrease; and while there may be some further decreases due to increased employment, we are providing a sum comparable with the provision made for the present fiscal year.

### Capital Account

Dealing now with Receipts and Payments on Capital Account, the total receipts are estimated at \$817,876.83. Estimates by Departments with corresponding estimates for the current year are as follows:

#### RECEIPTS—CAPITAL ACCOUNT

	Estimates 1939/40	Estimates 1940/41	Increase	Decrease
Executive Council .....	\$ 398,000.00	\$ 422,000.00	\$24,000.00	\$ .....
Agriculture Dept. ....	7,000.00	5,000.00	.....	2,000.00
Agriculture Dept. (Water Resources) .....	231,392.10	231,276.83	.....	115.27
Education Dept. ....	4,100.00	1,100.00	.....	3,000.00
Municipal Affairs Dept. ....	22,800.00	61,000.00	38,200.00	.....
Public Works Dept. ....	2,700.00	3,300.00	600.00	.....
Railways Branch .....	5,580,000.00	.....	.....	5,580,000.00
Treasury Dept. ....	201,000.00	40,600.00	.....	160,400.00
Lands and Mines Dept. ....	8,000.00	8,000.00	.....	.....
	<u>\$6,454,992.10</u>	<u>\$ 772,276.83</u>	<u>\$62,800.00</u>	<u>\$5,745,515.27</u>
Agricultural Relief .....	94,050.00	45,600.00	.....	48,450.00
	<u>\$6,549,042.10</u>	<u>\$ 817,876.83</u>	<u>\$62,800.00</u>	<u>\$5,793,965.27</u>

The net decrease as compared with the estimate for the present year amounts to \$5,731,165.27, the decrease being accounted for in the Railways Branch, which for the current year included the Railway payment of \$5,580,000.

### Payments—Capital Account

The total payments on Capital Account are estimated at \$2,471,966.18,—an increase of 36,231.76 as compared with the estimates I tabled last March. The estimates by Departments are as follows, also the corresponding estimates for the present year ending March 31st, 1940:

#### PAYMENTS—CAPITAL ACCOUNT

	Estimates 1939/40	Estimates 1940/41	Increase	Decrease
Executive Council .....	\$ 254,000.00	\$ 214,000.00	\$.....	\$40,000.00
Agriculture Dept. ....	28,000.00	27,000.00	.....	1,000.00
Agriculture Dept. (Water Resources) .....	488,014.42	488,369.18	354.76	.....
Lands and Mines Dept. ....	30,000.00	35,000.00	5,000.00	.....
Municipal Affairs Dept. ....	25,000.00	25,000.00	.....	.....
Public Works Dept. ....	1,373,185.00	1,429,712.00	56,527.00	.....
Treasury Dept. ....	139,900.00	173,900.00	34,000.00	.....
	<u>\$2,338,099.42</u>	<u>\$2,392,981.18</u>	<u>\$95,881.76</u>	<u>\$41,000.00</u>
Agricultural Relief .....	97,635.00	78,985.00	.....	18,650.00
	<u>\$2,435,734.42</u>	<u>\$2,471,966.18</u>	<u>\$95,881.76</u>	<u>\$59,650.00</u>

The main items provided for Capital purposes comprise \$1,075,000 for Main and District Highways, which, I think, you will agree is a necessary expenditure: \$230,650 for Public Buildings and Institutions, the greater portion of which will be used to relieve the

overcrowded conditions at the Institution at Ponoka. The other provisions in Capital are in the main fixed annual expenditures.

#### STATUTORY PAYMENTS

The net payments authorized by various Statutes are estimated at \$667,205; and the reduction for the new fiscal year is explained by the special provision of \$5,700,000 for the repayment of temporary Bank loans in the estimates for the current year. Provision is made for further payments on Savings Certificates to the amount of \$500,000, representing a reduction in the Public Debt.

#### ALBERTA GOVERNMENT TELEPHONES

Estimated receipts and expenditures of the Telephone Department are not included in the figures relating to the General Revenue Fund of the Province. The revenue of this utility is estimated at \$2,667,000,—an increase of \$65,000 over the estimates for the present year. Expenditures, both Capital and Income, total the same sum. After providing for the ordinary operation and maintenance charges, including interest on the capital debt at the present reduced rates, it is estimated a sum of \$650,000 will be available for replacement reserves, an increase of \$175,000 over the estimated amount provided this year.

#### INCOME AND CAPITAL ACCOUNT

Summarized, the total budgetary requirements of the Government for the ensuing fiscal year ending March 31st, 1941, are estimated as follows:

Estimated Revenue, Income Account.....	\$19,525,590.00
Estimated Revenue, Capital Account.....	817,876.83
Total Estimated Receipts, Income and Capital Account.....	<u>\$20,343,466.83</u>
Estimated Expenditures, Income Account.....	\$18,374,136.85
Estimated Payments, Capital Account.....	2,471,966.18
Estimated Net Statutory Payments.....	<u>667,205.00</u>
Total Estimated Payments, all Accounts.....	<u>\$21,513,308.03</u>
Estimated amount required to finance all budgetary requirements \$	1,169,841.20

This amount exceeds the sum estimated for the present year by \$18,733.36. Again I would remind the honourable members, Mr. Speaker, that we do not contemplate an increase in the Public Debt by a like amount, owing to the provisions for debt reduction included in the budget. I also assure this assembly that certain items of expenditure will not be spent until such time as our estimates of revenue are assured. The Government is cognizant of the uncertainty of conditions; and when it is necessary we will make whatever adjustments in our proposed expenditures may be required to avoid an increase in the Public Debt of this Province.

It has been my custom, Mr. Speaker, on former occasions to close my address after presenting the estimates for the current year. To-day, however, as this session marks the end of this Government's first term of office, I propose to review briefly certain financial statements of the Province.

With respect to Alberta's Public Debt, I wish to refer you to Page 92 of the Public Accounts for the year 1939. This Government took office in September, 1935; and brought down its first budget for the following fiscal year ending March 31st, 1937. Therefore, I propose to compare the debt as at March 31st, 1936, and March 31st, 1939, and also December 31st, 1939. The figures at the last mentioned date appear in the interim statement for the nine months' period of the present fiscal year which will be tabled at this session. The figures are as follows:

	March 31, 1936	March 31, 1939	Dec. 31, 1939
Net Funded Debt.....	\$142,941,000.00	\$143,412,000.00	\$143,158,650.32
Net Unfunded Debt.....	15,140,000.00	11,582,000.00	7,250,120.10
	<u>\$158,081,000.00</u>	<u>\$154,994,000.00</u>	<u>\$150,408,770.42</u>

The decrease in the net funded and unfunded debt in the period stated totals \$7,672,229.58, of which \$5,580,000 is due to the receipt of the final payment from the sale of railways. The further reduction is directly attributable to the budgets we have presented during our term of office.

Turning now to the increased revenue for the same years, an analysis of the statements in the Public Accounts reveals that ordinary revenue for the year ended March 31st, 1936, excluding reimbursements for unemployment relief totalled \$16,575,151.62; and on the same basis in the fiscal year ended March 31st, 1939, \$22,063,622.86,—an increase of \$5,488,471.24. This increase in revenue is mainly from the following sources:

Taxes.....	\$2,813,000.00
Social Service Tax.....	\$534,000.00
Corporations Tax .....	390,000.00
Fuel Oil Tax.....	732,000.00
Income Tax .....	784,000.00
Railways .....	135,000.00
Succession Duties .....	100,000.00
Other Taxes .....	77,000.00
Licenses—Automobiles .....	760,000.00
Fees.....	786,000.00
Petroleum and Natural Gas.....	540,000.00
School Lands .....	176,000.00
Tax Recovery Act.....	70,000.00
Profits—Liquor Control Board .....	930,000.00

With respect to the increased receipt from taxes of \$2,813,000, against the increase in the Social Service tax the Government instituted free treatment of Tubercular patients, thus relieving the Municipalities of their share of this charge; and reduced the charge on Municipal authorities re: Mothers' Allowances from fifty per cent to twenty-five per cent of the allowances paid. The increase in taxes paid by Corporations includes added taxation of Banks amounting to \$250,000; and of the increase in Income Tax, \$456,000 was also received from Corporations. Railways contributed \$135,000 additional revenue, making a total of \$831,000 from this class of taxpayer. With respect to the other increases enumerated, no increased tax



rates or fees have been imposed by this Government. The increases are due to more efficient collecting methods and to better conditions throughout the Province.

It is also of interest to analyse the expenditures of the Government on Capital account during the three years 1936/37 to 1938/39 inclusive. A review of the expenditure statements will show that we have expended for Capital purposes a total of \$6,253,000; and the main items are as follows:

Highways, Bridges and Ferries.....	\$3,728,800.00
Public Buildings and Institutions.....	590,300.00
Agriculture—Relief (net) .....	110,100.00
Agriculture—Destruction of Pests.....	327,900.00
Lethbridge Northern (net).....	460,700.00
University of Alberta (guaranteed debentures).....	450,000.00
Sundry Loans, Advances and Guarantees Implemented—less re- payments .....	494,000.00

If you also examine expenditures on Income Account, you will find the following increased expenditures for essential services in the year 1939 as compared with the year ended March 31st, 1936:

Grants to Schools.....	\$250,000.00
Legislation—General Government .....	235,000.00
Agriculture .....	100,000.00
Research and Development—Fire Fighting.....	210,000.00

**Public Welfare:**

Old Age Pensions.....	120,000.00
Mothers' Allowances .....	115,000.00
Hospitalization and Clinical Services.....	175,000.00
Institutions—Services .....	100,000.00
Highways, Bridges and Ferries.....	563,000.00

In the estimates for the year now before you further provision is made for certain of these services.

In making these Capital expenditures and in furnishing the added services out of Income Account which are so essential to the welfare of the people of this Province, we have not, during the period under review, added to the Public Debt; and, Mr. Speaker, I venture to say that this does not apply to any other Province in Canada.

In closing, Mr. Speaker, I wish to refer briefly to our debenture debt position. The statements presented prove conclusively that with a refunding of our debt at rates of interest comparable with the rates we are now offering in payment, this Province can carry on its essential services and reasonable and necessary Capital expenditures without incurring an ever increasing burden of debt. Funds to meet the interest at the reduced rates are provided as in the past; and I assure you the funds are not only in an account apart from our General Revenue Fund, but they have not been used for any purpose other than that for which they were set aside. We intend to continue this policy and to pursue every course possible to evolve an equitable plan of refunding our debenture debt, both to the debenture holder and to the Province.

I appreciate the very patient hearing I have been afforded, Mr. Speaker; and I now move that you do leave the chair; and that the House resolve itself into a Committee of Supply for the consideration of the sums to be granted to His Majesty.

GOVERNMENT OF THE PROVINCE OF ALBERTA

STATEMENT OF BONDED DEBT AND TREASURY BILLS AS AT DECEMBER 31, 1939

BUDGET SPEECH OF

Date of Issue		Date of Maturity	Amount	Original Interest Rate	Reduced Interest Rate(a)	Where Payable	Denominations	Distribution	
Date of Issue		Date of Maturity	Amount	Original Interest Rate	Reduced Interest Rate(a)	Where Payable	Denominations	General Revenue	Telephones
Debentures Past Due:									
Apr. 1, 1921.....	Apr. 1, 1936.....	1,193,000.00	6%	3%		M., T., E.	\$500.00; \$1,000.00	\$ 888,000.00	\$ 1,958,000.00
Nov. 1, 1921.....	Nov. 1, 1936.....	1,109,000.00	6%	3%		M., T., E.	\$500.00; \$1,000.00	886,500.00	222,500.00
June 1, 1931.....	June 1, 1937.....	1,650,000.00	4½%	2¼%		M., T., E., W., C., V., N. Y.	\$1,000.00	1,650,000.00	
June 1, 1938.....	June 1, 1938.....	2,000,200.00	4%	2%		M., T., E., L.	\$100.00; \$500.00; \$1,000.00		2,000,200.00
Jan. 1, 1919.....	Jan. 1, 1939.....	1,000,000.00	5½%	2¼%		M., T., E., N. Y.	\$1,000.00	1,000,000.00	
Jan. 15, 1924.....	Jan. 15, 1939.....	2,500,000.00	5%	2½%		M., T., E., N. Y.	\$100.00; \$500.00; \$1,000.00	2,500,000.00	
June 1, 1924.....	June 1, 1939.....	750,000.00	5%	2½%		M., T., E.	\$250,000.00	750,000.00	
Sept. 1, 1924.....	Sept. 1, 1939.....	250,000.00	5%	2½%		E.	\$250,000.00	250,000.00	
			\$ 12,105,200.00					\$ 7,924,500.00	\$ 4,180,700.00
Debentures and Stock Not Due:									
Feb. 15, 1924.....	Feb. 15, 1940.....	2,000,000.00	5%	2½%		M., T., E., W., V.	\$500.00; \$1,000.00	\$ 2,000,000.00	
Feb. 15, 1925.....	Feb. 15, 1940.....	750,000.00	5%	2½%		M., T., E., Vic.	\$1,000.00	750,000.00	
Apr. 15, 1935.....	Apr. 15, 1940.....	750,000.00	4½%	2¼%		M., T., E.	\$750,000.00	750,000.00	
July 15, 1926.....	July 15, 1941.....	750,000.00	4½%	2¼%		M., T., E., N. Y., L.	\$1,000.00	750,000.00	
Sept. 1, 1921.....	Sept. 1, 1941.....	2,250,000.00	6%	3%		M., T., E.	\$500.00; \$1,000.00	2,250,000.00	
Oct. 1, 1921.....	Oct. 1, 1941.....	1,800,000.00	6%	3%		M., T., E.	\$500.00; \$1,000.00		\$ 1,800,000.00
Oct. 1, 1921.....	Oct. 1, 1941.....	1,053,230.68	6%	3%		M., T., E.	\$230.68; \$1,000.00		1,053,230.68
Dec. 1, 1921.....	Dec. 1, 1941.....	1,700,000.00	6%	3%		M., T., E.	\$1,000.00	420,000.00	280,000.00
Jan. 15, 1927.....	Jan. 15, 1942.....	1,250,000.00	4½%	2¼%		M., T., E., N. Y.	\$1,000.00	1,250,000.00	
July 1, 1927.....	July 1, 1942.....	150,000.00	4½%	2¼%		M., T., E., C. Vic., N. Y.	\$1,000.00	150,000.00	
Sept. 15, 1922.....	Sept. 15, 1942.....	2,948,008.07	5%	2½%		M., T., E., N. Y.	\$1,000.00	729,724.41	2,218,275.59
Nov. 1, 1922.....	Nov. 1, 1942.....	3,500,000.00	5%	2½%		M., T., E., N. Y.	\$1,000.00	10,781.62	43,126.45
Apr. 1, 1923.....	Apr. 1, 1943.....	2,000,000.00	5%	2½%		M., T., E., N. Y.	\$500.00; \$1,000.00	1,500,000.00	2,000,000.00
July 1, 1923.....	July 1, 1943.....	3,003,663.62	4½%	2¼%		\$133.33; \$100.00; \$1,000.00	\$133.33; \$100.00; \$1,000.00	2,000,000.00	
Nov. 1, 1913.....	Nov. 1, 1943.....					\$2,930,336.28	\$1,000.00 Stock		1,227,406.40
June 15, 1925.....	June 15, 1945.....	2,250,000.00	4½%	2¼%		M., T., E., N. Y.	\$1,000.00	1,836,263.22	
Jan. 15, 1926.....	Jan. 15, 1946.....	3,750,000.00	4½%	2¼%		M., T., E., N. Y., L.	\$100.00; \$500.00; \$1,000.00	2,250,000.00	
Jan. 2, 1922.....	Jan. 1, 1947.....	3,846,000.00	5½%	2¼%		M., T., E., N. Y., L.	\$1,000.00	3,750,000.00	2,000,000.00
Mar. 1, 1932.....	Mar. 1, 1947.....	5,000,000.00	6%	3%		M., T., E., W. C., V.	\$500.00; \$1,000.00	1,846,000.00	896,000.00
Jan. 1, 1928.....	Jan. 1, 1948.....	4,800,000.00	5%	2½%		M., T., E., N. Y.	\$1,000.00	4,800,000.00	
Apr. 15, 1925.....	Apr. 15, 1950.....	3,740,000.00	5%	2¼%		M., T., E., N. Y.	\$1,000.00	3,272,000.00	468,000.00
Oct. 1, 1931.....	Oct. 1, 1951.....	5,649,000.00	4½%	2¼%		M., T., E., W. C., V., N. Y.	\$1,000.00	5,649,000.00	
Apr. 1, 1922.....	Apr. 1, 1952.....	3,000,000.00	5½%	2¼%		M., T., E., W. C., V.	\$1,000.00	3,000,000.00	
July 15, 1933.....	July 15, 1953.....	1,000,000.00	4½%	2%		M., T., E., W. C., V.	\$1,000.00	1,000,000.00	
Oct. 15, 1924.....	Oct. 15, 1954.....	1,000,000.00	4½%	2¼%		M., T., E., W. C., V.	\$100.00; \$500.00; \$1,000.00	2,125,000.00	875,000.00
Dec. 15, 1934.....	Dec. 15, 1949-54.....	3,000,000.00	4%	2%		M., T., E., W. C., V.	\$1,000.00	500,000.00	
July 15, 1925.....	July 15, 1955.....	500,000.00	5%	2½%		M., T., E., N. Y.	\$1,000.00	500,000.00	
Sept. 1, 1933.....	Sept. 1, 1955.....	2,850,000.00	5%	2¼%		M., T., E., W. C., V.	\$500.00; \$1,000.00	2,850,000.00	
Oct. 1, 1926.....	Oct. 1, 1956.....	6,000,000.00	4½%	2¼%		M., T., E., N. Y.	\$1,000.00	4,756,394.35	1,243,605.65
Jan. 15, 1927.....	Jan. 15, 1957.....	1,275,000.00	4½%	2¼%		M., T., E., C. Vic., N. Y.	\$1,000.00	1,275,000.00	
Dec. 1, 1927.....	Dec. 1, 1957.....	1,850,000.00	4%	2%		M., T., E., W. C., V., N. Y.	\$500.00; \$1,000.00	1,850,000.00	
July 16, 1928.....	July 16, 1958.....	3,500,000.00	4½%	2¼%		M., T., E., W. C., V., L., N. Y.	\$1,000.00	2,808,000.00	692,000.00
Oct. 1, 1928.....	Oct. 1, 1958.....	5,915,000.00	4½%	2¼%		M., T., E., W. C., V., L., N. Y.	\$500.00; \$1,000.00	5,915,000.00	

(c) Jan. 1, 1909.....	Jan. 1, 1959.....	7,400,000.00	5%	L.	T., E., W., C., V., L., N.Y.	\$1,000.00	7,400,000.00
Oct. 1, 1929.....	Oct. 1, 1959.....	6,000,000.00	5%	M., T., E., W., C., V., N.Y.	\$100.00; \$500.00; \$1,000.00	\$3,913,500.00	
May 1, 1930.....	May 1, 1960.....	3,000,000.00	4½%	M., T., E., W., C., V., N.Y.	\$100.00; \$500.00; \$1,000.00	3,000,000.00	
Apr. 1, 1931.....	Apr. 1, 1961.....	3,000,000.00	4½%	M., T., E., W., C., V., N.Y.	\$100.00; \$500.00; \$1,000.00	3,250,000.00	
July 1, 1932.....	July 1, 1962.....	5,546,000.00	4½%	M., T., E., N.Y.	\$1,000.00	546,000.00	
June 1, 1932.....	June 1, 1962-67.....	4,866,666.66	5%	L.	T., E., N.Y.	£1:0:0 Stock	4,136,666.66
June 1, 1927.....	June 1, 1967.....	\$ 5,239,500.00	4½%	L.	\$1,364,500.00 E., V., Vic.		
					\$3,875,000.00 M., T., E., Vic., N.Y.		
Feb. 15, 1924.....	Feb. 15, 1974.....	500,000.00	5%	E.		\$1,000.00	\$ 3,870,500.00
July 15, 1924.....	July 15, 1974.....	250,000.00	5%	E.		\$500,000.00	\$ 1,369,000.00
June 15, 1925.....	June 15, 1975.....	130,000.00	5%	E., Vic.		\$250,000.00	
May 1, 1930.....	May 1, 1980.....	1,000,000.00	4½%	E.		\$130,000.00	
						\$1,000,000.00	
Add: Debentures past due.....		115,875,975.03					\$ 95,143,830.26
		12,105,200.00					7,924,500.00
Less: Sinking Funds.....		\$127,981,175.03					\$103,068,330.26
		13,029,472.71					10,773,878.98
Sub-total.....		\$114,951,702.32					\$ 92,294,451.28
Treasury Bills:							
Jan. 1, 1929.....	Jan. 1, 1940.....	\$ 450,000.00	3½%	E.	Held by.		\$ 450,000.00
Jan. 15, 1929.....	Jan. 15, 1940.....	209,000.00	3%	E.	Provincial Treasurer		209,000.00
Jan. 15, 1930.....	Jan. 15, 1940.....	4,500,000.00	3%	E., O.	Provincial of Canada		3,618,000.00
Jan. 15, 1939.....	Jan. 15, 1940.....	500,000.00	3%	E.	Provincial Treasurer		3,500,000.00
Feb. 1, 1939.....	Feb. 1, 1940.....	4,678,000.00	3%	E., O.	Provincial of Canada		3,895,500.00
Apr. 1, 1939.....	Apr. 1, 1940.....	2,007,198.00	3%	E., O.	Provincial of Canada		2,007,198.00
June 1, 1939.....	June 1, 1940.....	2,448,000.00	3%	E., O.	Provincial of Canada		2,448,000.00
Aug. 1, 1939.....	Aug. 1, 1940.....	4,645,000.00	3%	E., O.	Provincial of Canada		4,645,000.00
Sept. 1, 1939.....	Sept. 1, 1940.....	488,750.00	3%	E., O.	Provincial of Canada		488,750.00
Oct. 1, 1939.....	Oct. 1, 1940.....	500,000.00	3%	E., O.	Provincial Treasurer		500,000.00
Dec. 1, 1939.....	Dec. 1, 1940.....	6,192,000.00	3%	E., O.	Provincial of Canada		5,240,000.00
Sub-total.....		\$ 28,206,948.00					\$ 25,581,448.00
Net Bonded Debt and Treasury Bill		\$143,158,650.32					\$117,875,899.28
SUMMARY:							
Debentures past due.....		\$ 12,105,200.00					\$ 7,924,500.00
Debentures and Stock not due.....		\$115,875,975.03					95,143,830.26
Treasury Bills.....		28,206,948.00					25,581,448.00
Less: Sinking Funds.....		\$156,188,123.03					\$128,649,778.26
Net Bonded Debt and Treasury Bills		13,029,472.71					10,773,878.98
		\$143,158,650.32					\$117,875,899.28

(a) Interest reduced in accordance with the Provisions of "The Provincial Securities Interest Act, 1937."

(b) \$5,000,000.00 authorized

(c) Alberta and Great Waterways Railway First Mortgage Gold Debenture Bonds.

ABBREVIATIONS: M., Montreal; T., Toronto; O., Ottawa; E., Edmonton; W., Winnipeg; C., Calgary; V., Vancouver; Vic., Victoria; L., London, Eng-

land; N.Y., New York, U.S.A.

## STATEMENT No. 2

## GOVERNMENT OF THE PROVINCE OF ALBERTA

ANALYSIS OF FUNDED AND UNFUNDED DEBT AS AT  
DECEMBER 31, 1939

The net funded and unfunded debt as at December 31st, 1939, amounted to \$150,408,770.42, as follows:

Funded debt .....	\$ 156,188,123.03	
Less: Sinking funds.....	13,029,472.71	
Net funded debt.....		\$ 143,158,650.32
Unfunded debt:		
Savings Certificates .....	\$ 5,597,931.18	
Superannuation fund .....	2,813,519.93	
Miscellaneous .....	221,658.53	
	\$ 8,633,109.64	
Less: Cash and investments (book value).....	1,382,989.54	
Net unfunded debt.....		7,250,120.10
Net funded and unfunded debt.....		\$ 150,408,770.42

In order to arrive at the net general debt, the following realizable or income-producing assets may properly be deducted:

Alberta Government Telephones plant and supplies (at cost) .....	\$ 15,738,346.30	
Alberta Wheat Pool.....	4,121,479.92	
Loans to cities.....	2,660,860.59	
Working advances, net assets .....	923,156.20	
Miscellaneous .....	22,106.46	
		\$ 23,465,949.47
Net general debt.....		\$ 126,942,820.95

Net general debt is represented by expenditure on:  
General assets at book values consisting of:

Roads, bridges and ferries.....	\$ 41,185,235.71	
Public buildings .....	18,323,666.55	
Public works .....	773,068.53	
University of Alberta.....	4,787,949.49	
University Hospital .....	468,472.53	
Lethbridge Northern Irrigation District.....	6,839,656.69	
Miscellaneous .....	474,683.66	
		\$ 72,852,733.16
Loans and advances at book value, partially secured, subject to realization and provision for losses:		
Seed grain, fodder and other agricultural relief advances .....	\$ 2,921,284.23	
Other loans and advances.....	1,679,081.75	
		4,600,365.98

## STATEMENT No. 2—(Continued)

Deferred charges and capital losses:	
Loss on sale of railways.....	\$ 11,444,499.47
Alberta Government Telephones.....	9,064,560.46
*Debenture discount, net.....	5,615,868.87
**Other items .....	21,783,032.87
	<u>\$ 47,907,961.67</u>
Less: Reserves and capital surplus.....	12,236,336.73
	<u>\$ 35,671,624.94</u>
Advances to income account, consisting of income deficits and net in-	
come assets .....	13,818,096.87
	<u>\$ 126,942,820.95</u>

\* Including Alberta Government Telephones.

\*\* Includes accounts cancelled or pending cancellation under the terms of Chapter 32, 1939.

## STATEMENT No. 3

## GOVERNMENT OF THE PROVINCE OF ALBERTA

COMPARATIVE STATEMENT OF RECEIPTS AND PAYMENTS  
FOR THE NINE MONTHS ENDED DECEMBER 31, 1938,  
AND DECEMBER 31, 1939

## INCOME ACCOUNT

PARTICULARS	Nine months ended		Increase or Decrease*
	Dec. 31, 1939	Dec. 31, 1938	
RECEIPTS—			
Dominion of Canada subsidies . . . . .	\$ 893,737.50	\$ 888,050.30	\$ 5,687.20
Taxes . . . . .	7,045,286.23	6,588,600.42	456,685.81
Licenses . . . . .	2,721,316.73	2,451,765.27	269,551.46
Fees . . . . .	2,152,000.81	2,035,875.28	116,125.53
Fines and penalties . . . . .	62,038.16	51,789.50	10,248.66
Profits from trading activities . . . . .	1,917,034.60	2,000,771.92	83,737.32*
Refunds of expenditure . . . . .	1,737,461.49	1,638,556.83	98,904.66
From revenue-producing assets . . . . .	853,695.97	847,430.83	6,265.14
Miscellaneous . . . . .	57,239.59	54,940.19	2,299.40
Suspense . . . . .	180,257.91	247,122.32	66,864.41*
Sub-total . . . . .	\$17,620,068.99	\$16,804,902.86	\$ 815,166.13
Unemployment relief reimbursements . . . . .	796,176.80	1,907,807.44	1,111,630.64*
Total receipts . . . . .	\$18,416,245.79	\$18,712,710.30	\$ 296,464.51*

PARTICULARS	Nine months ended		Increase or Decrease*
	Dec. 31, 1939	Dec. 31, 1938	
PAYMENTS—			
Public debt .....	\$ 2,824,359.05	\$ 2,862,445.25	\$ 38,086.20*
Executive Council .....	205,524.75	172,492.75	33,032.00
Legislation .....	94,053.04	93,126.92	926.12
Agriculture Department .....	441,392.05	418,179.13	23,212.92
Agriculture Department—Water Re- sources Branch .....	36,883.95	41,477.52	4,593.57*
Attorney General's Department.....	463,364.41	475,043.97	11,679.56*
Education Department .....	2,469,197.24	2,311,397.06	157,800.18
Municipal Affairs Department.....	242,154.82	285,232.92	43,078.10*
Provincial Secretary's Department.....	95,842.19	88,800.08	7,042.11
Public Health Department.....	1,873,499.73	1,785,979.48	87,520.25
Public Works Department.....	2,083,067.50	1,979,470.16	103,597.34
Railways Branch .....	3,302.42	3,153.49	148.93
Treasury Department .....	2,360,909.31	2,115,998.44	244,910.87
Lands and Mines Department.....	583,094.43	613,659.15	30,564.72*
Trade and Industry Department.....	159,919.63	66,715.06	93,204.57
Sub-total .....	\$13,936,564.52	\$13,313,171.38	\$ 623,393.14
Unemployment relief .....	2,486,583.46	3,054,331.10	567,747.64*
Total payments .....	\$16,423,147.98	\$16,367,502.48	\$ 55,645.50

## STATEMENT No. 4

## GOVERNMENT OF THE PROVINCE OF ALBERTA

## CONSOLIDATED SURPLUS OR DEFICIT ACCOUNT

INCOME ACCOUNT  
GENERAL REVENUE FUND

Year ended December 31	Particulars	Revenue	Expenditure	Surplus* or Deficit
1905	Per Order-in-Council 966/11).....	\$ 635,975.57	\$ 150,021.10	\$ 485,954.47*
1906	" .....	1,425,059.01	1,279,041.44	146,017.57*
1907	" .....	1,847,452.61	1,839,064.04	8,388.57*
1908	" .....	2,755,900.41	2,079,708.20	676,192.21*
1909	" .....	2,511,851.46	2,632,935.53	121,084.07
1910	" .....	2,071,773.94	3,696,826.86	1,625,052.92
		\$ 11,248,013.00	\$ 11,677,597.17	\$ 429,584.17
1911	Per Public Accounts.....	2,802,325.79	3,037,618.45	235,292.66
1912	" .....	3,419,381.52	3,353,258.48	66,123.04*
1913	" .....	4,519,345.19	4,409,795.18	109,550.01*
1914	" .....	4,350,836.79	4,446,160.31	95,323.52
1915	" .....	4,144,040.18	4,742,374.81	598,334.63
1916	" .....	4,228,974.28	5,006,993.08	778,018.80
1917	" .....	5,069,303.73	5,712,643.03	643,339.30
1918	" .....	6,283,336.15	7,132,119.21	848,783.06
1919	" .....	8,004,476.10	7,905,330.47	99,145.63*
1920	" .....	9,005,862.21	8,544,052.16	461,810.05*
1921	" .....	8,486,946.25	10,605,155.91	2,118,209.66
1922	" .....	9,324,889.73	11,235,192.22	1,910,302.49
1923	" .....	10,419,146.26	10,990,830.00	571,683.74
1924	" .....	10,506,627.13	11,127,468.55	620,841.42
1925	" .....	11,531,025.99	11,343,006.45	188,019.54*
1926	" .....	11,912,128.27	11,894,327.74	17,800.53*
1927	" .....	12,263,400.64	12,479,380.97	215,980.33
Year ended March 31:				
1928 (3 months)	" .....	3,886,495.04	3,390,751.58	495,743.46*
1929	" .....	15,265,083.77	13,686,260.68	1,578,823.09*
1930	" .....	15,829,865.22	15,402,884.57	426,980.65*
1931	" .....	15,710,962.44	18,017,543.54	2,306,581.10
1932	" .....	13,492,430.28	18,645,481.20	5,153,050.92
1933	" .....	15,426,264.94	17,533,785.97	2,107,521.03
1934	" .....	15,178,607.44	17,056,638.86	1,878,031.42
1935	" .....	15,697,770.48	17,435,821.37	1,738,050.89
1936	" .....	16,575,151.62	18,225,949.86	1,650,798.24
1937**	" .....	20,743,045.72	20,665,192.83	77,852.89*
1938**	" .....	24,127,805.54	21,359,739.46	2,768,066.08*
1939**	" .....	24,269,817.40	21,242,625.48	3,027,191.92*
		\$333,723,359.10	\$348,305,979.59	\$ 14,582,620.49

Less:

Surplus arising from excess of income assets over income liabilities  
and adjustments .....\$ 5,400,832.00

Deficit, General Revenue Fund, March 31, 1939.....\$ 9,181,788.49

Add: Alberta Government Telephone deficit.....2,096,653.55

Income deficit, March 31, 1939.....\$ 11,278,442.04

\*\* Operating results after reduction of interest charges, suspension of sinking fund provision, and after including net expenditure for unemployment relief. In previous years, unemployment relief expenditure was capitalized.

## STATEMENT No. 5

## GOVERNMENT OF THE PROVINCE OF ALBERTA

## COMPARATIVE STATEMENT OF AGRICULTURAL PRODUCTION FOR THE YEARS 1938 AND 1939

## 1938 (FINAL FIGURES)

## 1939 (PRELIMINARY FIGURES)

1938 (FINAL FIGURES)				1939 (PRELIMINARY FIGURES)			
GRAIN CROPS, ETC.				GRAIN CROPS, ETC.			
Acres	Yield Per Acre Bus.	Total Yield Bus.	Value	Acres	Yield Per Acre Bus.	Total Yield Bus.	Value
7,969,000	18.6	148,200,000	\$ 85,956,000	8,379,000	17.9	150,000,000	\$ 75,000,000
2,885,000	35.0	101,000,000	19,150,000	2,706,000	31.4	85,000,000	15,300,000
1,125,000	26.0	29,200,000	5,840,000	1,114,000	24.2	27,000,000	7,020,000
158,000	17.1	2,700,000	648,000	138,900	12.7	1,780,000	784,000
20,000	8.0	160,000	176,000	40,000	8.8	350,000	476,000
19,100	25.1	480,000	106,000	23,200	24.0	557,000	139,000
800	27.5	22,000	29,000	300	21.0	6,000	27,000
700	16.7	12,000	23,000	800	18.0	14,000	34,000
			57,000				
12,177,600		281,774,000	\$107,985,000	12,452,800		285,340,000	\$ 98,802,000
ROOT CROPS				ROOT CROPS			
Acres	Yield Per Acre Cwt.	Total Yield Cwt.	Value	Acres	Yield Per Acre Cwt.	Total Yield Cwt.	Value
28,200	74.0	2,087,000	\$ 1,252,000	25,400	48.0	1,219,000	\$ 1,829,000
2,700	107.0	289,000	145,000	2,700	100.0	270,000	162,000
19,700	12.74	251,000	1,679,000	21,600	12.13	262,000	1,624,000
50,600			\$ 3,076,000	49,700			\$ 3,615,000
FODDER CROPS				FODDER CROPS			
Acres	Yield Per Acre Tons	Total Yield Tons	Value	Acres	Yield Per Acre Tons	Total Yield Tons	Value
900,000	1.75	1,575,000	\$ 6,300,000	950,000	1.50	1,425,000	\$ 5,700,000
365,600	1.49	545,000	3,270,000	392,200	1.45	569,000	3,556,000
85,600	2.30	197,000	1,478,000	103,300	2.00	207,000	1,553,000
3,100	5.00	16,000	96,000	3,400	4.00	14,000	76,000
1,354,300		2,333,000	\$11,144,000	1,448,900		2,215,000	\$ 10,885,000



Production Lbs.	Price Cents	Value
31,242.357	22.9	\$ 7,157.624
15,600.000	17.9	2,793.960
2,451.821	14.2	348.404
250.000	12.2	30.525
586.338	114.1	669.418
		7,587.987
		<b>\$18,587.918</b>

  

Production Lbs.	Price Cents	Value
29,800.000	21.0	\$ 6,258.000
15,912.000	16.0	2,545.920
2,204.000	13.0	286.520
250.000	11.0	27.500
557.000	116.0	646.120
		7,825.940
		<b>\$17,590.000</b>

There were 96 creameries and 19 cheese factories in the year 1939, as compared with 97 creameries and 15 cheese factories in the year 1938.

Production Lbs.	Price Cents	Value
2418,000	7.0	\$ 169,260
3,829,000	9.0	34,461
		6,000,000
		1,456,013
		27,169,074
		<b>\$34,847,897</b>
<b>MISCELLANEOUS</b>		
.....Honey.....		
.....Wool.....		
.....Poultry Products.....		
.....Game and Furs.....		
.....Animals Slaughtered and Sold.....		
.....TOTAL.....		

ACREAGE UNDER CULTIVATION—		SUMMARY		VALUE OF PRODUCTION—	
1938	1939	1938	1939	1938	1939
Acres	Acres				
Grain, Root and Fodder Crops.....	13,582,500			\$122,205,000	\$113,302,000
Summertime.....	4,433,700			18,587,918	17,590,000
New Breaking.....	375,400			34,847,897	40,597,532
TOTAL.....	18,391,600			\$175,640,815	\$171,489,532

## STATEMENT No. 6

## GOVERNMENT OF THE PROVINCE OF ALBERTA

## GENERAL STATISTICS

## AGRICULTURAL STATISTICS

Area—Land .....	159,232,000	acres
Water .....	4,150,400	"
Total .....	163,382,400	"

Area in square miles.....	255,285	sq. mi.
Population, 1939 est.....	787,000	
Area of National Parks..	13,434,240	acres
Area of Forest Reserves	12,436,500	"
Area of Surveyed Tract..	87,889,701	"
Area of Irrigation Tract	3,354,080	"
Area Irrigable .....	884,683	"
Area Irrigated .....	378,342	"
Agricultural Area .....	97,123,000	"
Area in Occupied Farms	40,539,934	"
Number of Farms .....	100,358	"

## Average Value of Farm property per acre:

1921 .....	\$28.00
1931 .....	20.00
1933 .....	16.00
1934 .....	16.00
1935 .....	16.00
1936 .....	16.00
1937 .....	16.00
1938 .....	15.00
1939 .....	15.00

## Acreage under Cultivation:

1906 .....	659,981	acres
1921 .....	11,537,013	"
1931 .....	16,908,186	"
1935 .....	17,982,080	"
1936 .....	18,108,338	"
1937 .....	18,312,220	"
1938 .....	18,391,609	"
1939 .....	18,927,600	"

## Acreage under Wheat:

1906 .....	177,127	acres
1921 .....	4,649,004	"
1931 .....	7,938,000	"
1935 .....	7,500,000	"
1936 .....	7,537,200	"
1937 .....	7,834,000	"
1938 .....	7,969,000	"
1939 .....	8,379,000	"

## Value of Agricultural Production:

1906 .....	\$ 16,428,205
1921 .....	136,355,276
1931 .....	148,048,008
1936 .....	160,971,490
1937 .....	192,439,195
1938 .....	175,640,815
1939 .....	171,489,592

## Creamery Butter Manufactured:

1906 .....	1,960,356	lbs.
1921 .....	13,048,493	"
1931 .....	22,957,922	"
1933 .....	23,852,350	"
1934 .....	25,601,447	"
1935 .....	23,094,707	"
1936 .....	25,491,105	"
1937 .....	26,323,562	"
1938 .....	31,242,357	"
1939 .....	29,800,000	"

## Live Stock, 1939:

Horses .....	658,600
Milch Cows .....	429,200
Other Cattle .....	908,200
Sheep .....	834,300
Swine .....	993,200
Poultry .....	7,722,900

## Shipments of Cattle from Alberta:

1932 .....	96,701	head
1933 .....	123,428	"
1934 .....	161,578	"
1935 .....	214,821	"
1936 .....	317,054	"
1937 .....	258,528	"
1938 .....	192,796	"
1939 .....	190,201	"

## Hog Marketings:

1920 .....	74,237	head
1921 .....	158,097	"
1922 .....	394,898	"
1932 .....	1,008,452	"
1933 .....	1,032,169	"
1934 .....	1,012,827	"
1935 .....	953,752	"
1936 .....	1,039,466	"
1937 .....	986,206	"
1938 .....	782,857	"
1939 .....	979,898	"

## NATURAL RESOURCES STATISTICS

Estimated coal area, over 16,500 square miles, with coal reserves over 1,000 million tons.

## Coal Production:

1906 .....	1,385,000	tons
1921 .....	5,937,105	"
1931 .....	4,564,290	"
1932 .....	4,870,030	"
1933 .....	4,714,784	"
1934 .....	4,748,848	"
1935 .....	5,462,973	"
1936 .....	5,696,375	"
1937 .....	5,551,682	"
1938 .....	5,230,025	"
1939 .....	5,518,105	"

## Petroleum Production

1924 .....	844	bbis.
1931 .....	1,455,195	"
1932 .....	917,622	"
1933 .....	1,013,040	"
1934 .....	1,265,940	"
1935 .....	1,263,750	"
1936 .....	1,320,442	"
1937 .....	2,796,908	"
1938 .....	6,742,039	"
1939 .....	7,594,411	"

## Natural Gas Production:

1921 .....	4,945,884	m.c.f.
1931 .....	18,327,139	"
1932 .....	16,508,583	"
1933 .....	16,789,911	"
1934 .....	16,100,697	"
1935 .....	17,267,812	"
1936 .....	19,128,345	"
1937 .....	26,841,760	"
1938 .....	26,849,828	"
1939 .....	23,286,434	"

## Value of Commercial Fisheries Production:

1921 .....	\$ 408,868
1931 .....	184,859
1932 .....	133,516
1933 .....	156,341
1934 .....	256,503
1935 .....	230,926
1936 .....	313,743
1937 .....	447,345
1938 .....	518,792
1939 Estimated .....	385,000

## Value of Mineral Production:

1907 .....	\$ 4,657,524
1921 .....	30,562,229
1931 .....	23,580,727
1932 .....	21,183,312
1933 .....	19,702,953
1934 .....	20,228,851
1935 .....	22,289,681
1936 .....	23,305,726
1937 .....	25,597,117
1938 .....	28,966,272
1939 .....	30,000,000

## STATEMENT No. 6—(Continued)

## GENERAL STATISTICS

## OTHER STATISTICS

Manufacturing Industries, 1937:	
No. of Establishments	895
Capital Invested	\$70,804,070
Employees	12,524
Salaries and Wages	\$13,903,062
Value of Products	\$86,225,069

## Railway Mileage:

1906	1,060 miles
1921	4,789 "
1931	5,709 "
1933	5,742 "
1934	5,740 "
1935	5,789 "
1936	5,785 "
1937	5,792 "
1938	5,792 "

## Schools in Operation:

1921	2,746
1931	3,346
1932	3,395
1933	3,451
1934	3,428
1935	3,492
1936	3,542
1937	3,591
1938	3,592

## Motor Vehicles:

1911	1,631
1916	9,516
1921	40,235
1926	65,590
1931	95,686
1934	90,002
1935	94,543
1936	98,190
1937	100,197
1938	108,332
1939	112,102

## Gravelled and Bituminous Surfaced Highways:

1921	17 miles
1927	350 "
1931	1,703 "
1934	2,167 "
1935	2,245 "
1936	2,307 "
1937	3,002 "
1938	3,095 "
1939	3,487 "

## Bank Clearings:

1922	\$ 546,227,960
1929	1,121,287,991
1933	456,950,929
1934	476,024,314
1935	528,954,843
1936	538,913,234
1937	550,324,627
1938	539,608,066
1939	521,541,889

## Bank Debits:

1924	\$1,092,062,297
1929	2,008,969,312
1933	982,717,839
1934	977,696,487
1935	1,093,517,757
1936	1,096,155,091
1937	1,155,136,641
1938	1,166,319,940
1939	1,216,363,920

## Building Permits

1924	\$ 6,600,400
1929	29,159,600
1933	2,825,900
1934	3,489,400
1935	5,893,000
1936	6,297,400
1937	4,901,000
1938	8,180,000
1939	5,234,900





GOV DOC CA2 AL T 877 1931-1940  
ALBERTA TREASURY DEPT  
BUDGET SPEECH --

39812847 GOV PUB



## DATE DUE SLIP

Due Cam	APR 23	RETURN
Due Cam	JUN 8	RETURN
Due Cam	JUL 02	1992
	5/8/92	
	26/7/92	



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- The image shows a uniform, textured surface in a deep reddish-brown or terracotta color. It appears to be the cover of a book or a folder, with a visible vertical crease or hinge line running down the right side. The texture is slightly grainy, and there are no titles, logos, or other markings visible on this portion of the cover.